

**UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

IN RE JPMORGAN PRECIOUS  
METALS SPOOFING LITIGATION

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§ Master Docket No. 18-cv-10356 (JGK)  
§  
§ CLASS ACTION

**UNOPPOSED MOTION OF THE  
UNITED STATES TO INTERVENE AND TO STAY**

The above-captioned consolidated civil action concerns allegations that JPMorgan Chase & Co. (“JPMorgan”) and precious metals traders employed by JPMorgan, including John Edmonds, manipulated the prices of precious metals futures and options contracts from approximately January 1, 2009, through December 31, 2015. The United States, through its undersigned attorneys, respectfully (i) seeks leave to intervene in the consolidated action under Federal Rule of Civil Procedure 24, and (ii) moves for an initial stay of the consolidated action until May 31, 2019, in light of Mr. Edmonds’ pending related criminal prosecution, *see United States v. John Edmonds*, No. 3:18 CR 239 (RNC) (D. Conn.), and to protect the integrity of a broader, ongoing government investigation.<sup>1</sup>

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<sup>1</sup> The government recently filed a similar motion to intervene and stay another civil action in this Court alleging manipulative trading practices by precious metals traders at JPMorgan. *See Shak, et al. v. JPMorgan Chase & Co., et al.*, No. 15-cv-995 (PAE) (S.D.N.Y). The Honorable Paul A. Engelmayer granted the government’s motion and stayed that matter until May 31, 2019. The government is seeking a stay of the same duration here in part to place these two matters on the same track.

## **I. A Stay Would Not Prejudice the Parties**

The United States respectfully submits that the proposed stay would not prejudice the parties to the consolidated action, because the stay is unopposed by the litigants, it is for a finite period of time, and the ongoing criminal investigation is likely to narrow and focus the issues in dispute between the parties to the consolidated action.

Prior to filing this motion, the government conferred via telephone with plaintiffs' counsel at Lowey Dannenberg, P.C., who reported that they do not oppose the government's intervention or the proposed stay, with the caveat that plaintiffs may seek to obtain precious metals order data from the defendants during the pendency of the stay. The government also conferred with counsel for defendants JPMorgan and Mr. Edmonds, neither of whom opposes the requested relief.

The government has requested a stay for a set period of time—just over three months—and not an indefinite period of time (*e.g.*, until the conclusion of the criminal investigation). While the United States may seek to extend the stay at the end of the initial period, it would have to demonstrate good cause for such an extension. Hence, the government is not seeking an open-ended stay that could indefinitely postpone this matter and thus jeopardize the parties' interests in a timely resolution.

Finally, any developments in the criminal case during the period the consolidated action is stayed may reduce, or completely resolve, the need to litigate certain issues in the consolidated action. *See, e.g., S.E.C. v. Blaszczyk*, No. 17-CV-3919 (AJN), 2018 WL 301091, at \*3 (S.D.N.Y. Jan. 3, 2018) (“The Criminal Case will

resolve issues of fact common to the civil case and may reduce the number of issues to be decided in subsequent proceedings in this case.”); *State Farm Lloyds v. Wood*, No. CIV A H-06-503, 2006 WL 3691115, at \*3 (S.D. Tex. Dec. 12, 2006) (“The outcome of the criminal proceedings may guide the parties in settlement discussions and potentially eliminate the need to litigate some or all of the issues in this case.”). The basis for this representation is discussed in Section II below.

For these reasons, the United States believes that a stay until May 31, 2019, unopposed by the parties, will not prejudice the litigants in the consolidated action.

## **II. The Government’s Ongoing Criminal Investigation**

Mr. Edmonds has pleaded guilty and awaits sentencing. In entering his guilty pleas, Mr. Edmonds acknowledged that he and other precious metals traders at JPMorgan engaged in manipulative and fraudulent trading activities for years. *See* Plea Agreement, *United States v. John Edmonds*, No. 3:18 CR 239 (RNC), ECF No. 7, at 10-11 (D. Conn.). The government’s broader investigation into [REDACTED] [REDACTED] is ongoing.

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Dated: February 21, 2019

Respectfully submitted,

ROBERT ZINK  
Acting Chief

By: /s/ Avi Perry  
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**CERTIFICATE OF SERVICE**

I, Avi Perry, hereby certify that on February 21, 2019, I electronically filed the foregoing Unopposed Motion of the United States to Intervene and Stay with the Clerk of Court using the CM/ECF electronic filing system, which will automatically send a Notice of Electronic Filing to all parties.

/s/ Avi Perry

Avi Perry

Trial Attorney

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U.S. Department of Justice